

Procedure for recovery and accounting of premia due to the Life Insurance Corporation of India.

OFFICIAL MEMORANDUM

No. FD 14 ACP 58, DATED BANGALORE, THE 21ST AUGUST 1959
(SHRAVANA 30, SAKA ERA 1881).

The Life Insurance Corporation of India have brought to the notice of Government certain difficulties experienced and irregularities observed in the matter of accounting of premium recoveries from salaries of Government employees, in Treasuries and Drawing Offices (*vide* Annexure).

It is impressed on all Treasury Officers and Drawing Officers of Government that such irregularities should be avoided and delay in affording credit should be minimised. The following procedure should be followed by all Drawing Officers from 1st September 1959:

(1) The Drawing Officers should maintain a register of policies held by their employees with (i) the Mysore Government Insurance Department—Public Branch, and (ii) the Life Insurance Corporation of India, and note therein every month the recovery made in respect of each of the policies. Separate columns may be provided for (i) and (ii).

(2) In the premium recovery statements attached to bills, correct policy numbers and premiums should be entered.

(3) Abstract Treasury Collection Statements should be sent promptly to the concerned Divisional Officers of the Life Insurance Corporation at Bangalore, Hyderabad and Udipi, as the case may be, along with the deduction statements by the Treasury Officers, in support of the R.T.Rs. or Cheques issued in favour of the Life Insurance Corporation.

(4) In Bank Treasuries, the concerned Banks will retain the deduction statements and send them to the Life Insurance Corporation of India in support of the bank credits.

(5) Separate statements should be prepared for the Mysore Government Insurance Department—Public Branch Policies and Life Insurance Corporation Policies in special forms prescribed for each of them and it should be ensured that these do not get mixed up. They should not also be mixed up with the Mysore Government—Official Branch Policies, accounted for in accordance with the Mysore Government Insurance Rules.

(6) Each policy held by an Official should be separately noted entering the corresponding premium recovery against that number in the deduction statement. On no account should premiums in respect of two or more policies be clubbed together and lumpsum entered in the statement.

(7) When a policy holder is transferred, the details of policy number and premium should be communicated to the Head of the Office to which he is transferred and the transfer should be advised to the concerned Divisional Officer of the Life Insurance Corporation.

(8) The references sent by the Life Insurance Corporation of India on the above subject should be promptly dealt with.

(9) The Inspecting Officers, should at the time of inspection of the Treasuries and departmental offices, see that the prescribed registers are maintained properly and all correspondence is answered promptly.

Attention is also invited to the O.M. No. 9983/B, dated 7th January 1957 and to Accountant-General's Circular No. TM/B/622, dated 6th November 1957 issuing instructions regarding recording of pay orders on bills presented at treasuries in respect of Life Insurance premia. (Copy annexed).

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